



Final Regulation Agency Background Document

Agency name	Department of Human Resource Management
Virginia Administrative Code (VAC) citation	VAC 55 -30
Regulation title	Commonwealth of Virginia Long Term Care Program
Action title	This chapter will establish regulations used by the Department of Human Resource Management (DHRM) in the administration of the long-term care plan for state and local government employees.
Date this document prepared	Department of Human Resource Management

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Orders 21 (2002) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

Brief summary

Please provide a brief summary (no more than 2 short paragraphs) of the proposed new regulation, proposed amendments to the existing regulation, or the regulation proposed to be repealed. Alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation. Also, please include a brief description of changes to the regulation from publication of the proposed regulation to the final regulation.

Enter statement here: These regulations explain which groups of employees, former employees and their dependents are eligible for the long-term care program sponsored by the Department of Human Resource Management. Additionally they clarify the different insurance classifications, and the processes that the eligible participants within each classification must go through in order to secure coverage.

Statement of final agency action

Please provide a statement of the final action taken by the agency including (1) the date the action was taken, (2) the name of the agency taking the action, and (3) the title of the regulation.

I hereby approve the foregoing Regulatory Review Summary, and adopt the action stated therein. I certify that this final regulatory action has completed all the requirements of the Code of Virginia § 2.2-4012, of the Administrative Process Act.

Sara R. Wilson
Director of the Department of Human Resource Management

The Director of the Department of Human Resource Management pursuant to sections 2.2-1208 and 2.2-1207 of the Code of Virginia has adopted VAC 55 -30 as a final regulation.

Enter statement here

Legal basis

Please identify the state and/or federal legal authority to promulgate this proposed regulation, including (1) the most relevant law and/or regulation, including Code of Virginia citation and General Assembly chapter numbers, if applicable, and (2) promulgating entity, i.e., agency, board, or person. Describe the legal authority and the extent to which the authority is mandatory or discretionary.

Enter statement here

§ 2.2-1208 Long-term care insurance.

§ 2.2-1207. Long-term care insurance program for employees of local governments, local officers, and teachers.

Purpose

Please explain the need for the new or amended regulation. Describe the rationale or justification of the proposed regulatory action. Detail the specific reasons it is essential to protect the health, safety or welfare of citizens. Discuss the goals of the proposal and the problems the proposal is intended to solve.

Enter statement here

During the last few sessions of the General Assembly the Department of Human Resource Management was authorized to sponsor a long term care insurance program for employees, and retirees of state and local government, along with terminated vested participants of the Virginia Retirement System.

These regulations will help define eligibility, and underwriting provisions, as well as establishing distinct insurance classifications for participants.

Substance

Please identify and explain the new substantive provisions, the substantive changes to existing sections, or both where appropriate. A more detailed discussion is required under the "All changes made in this regulatory action" section.

Enter statement here

These regulations explain which groups of employees, former employees, and their dependents are eligible for the long-term care program sponsored by the Department of Human Resource Management. Additionally, they clarify the different insurance classifications, and the processes that the eligible participants within each classification must go through in order to secure coverage.

The regulations spell out that satisfactory evidence of good health is required prior to enrollment in the plan, except for newly eligible active employees or during special enrollments. Regardless as to date of hire or any special enrollment, in order for employees to be accepted into the program, without evidence of good health, they must be actively at work.

§2.2-1208 states that any person eligible to participate in the long-term care insurance program established pursuant to § 2.2-1207 will not be eligible for the plan described in §2.2-1208. § 2.2-1207 authorizes coverage for employees and retirees of local government and school boards should the governing body elect to participant in the plan. These regulations make clear that employees or retirees of these governing bodies are not eligible to enroll in the program pursuant to §2.2-1208 regardless as to whether or not their employer participates in the program. Participation in the program by these individuals is contingent upon participation by their employer.

§2.2-1208 authorized long term care coverage for state employees. During the 2004 session of the General Assembly, House Bill 1179 was enacted which amended §2.2-1208, and in effect, created a new group of eligible participants. These are individuals who are neither employees nor retirees of state or local government. However, they must have five or more years of creditable service with the Virginia Retirement System.

Issues

Please identify the issues associated with the proposed regulatory action, including:

- 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions;*
 - 2) the primary advantages and disadvantages to the agency or the Commonwealth; and*
 - 3) other pertinent matters of interest to the regulated community, government officials, and the public.*
- If there are no disadvantages to the public or the Commonwealth, please indicate.*

Enter statement here

The primary advantage to state agencies and local municipalities is that these regulations explain which groups of employees; former employees and their dependents are eligible for the long-term care program sponsored by the Department of Human Resource Management. Additionally, they clarify the different insurance classifications, and the processes that the eligible participants within each classification must go through in order to secure coverage. The regulations are required by sections § 2.2-1208 and § 2.2-1207 of the Code of Virginia, and clarify eligibility and underwriting provisions of the program. It is these provisions that will help keep the plan solvent, and help assure that the premiums remain reasonable.

Changes made since the proposed stage

Please describe all changes made to the text of the proposed regulation since the publication of the proposed stage. For the Registrar’s office, please put an asterisk next to any substantive changes.

There have not been any changes to the text proposed regulations.

Section number	Requirement at proposed stage	What has changed	Rationale for change

Public comment

Please summarize all comments received during the public comment period following the publication of the proposed stage, and provide the agency response. If no comment was received, please so indicate.

Commenter	Comment	Agency response

Enter any other statement here

The Department of Human Resource Management did not receive any public comments.

All changes made in this regulatory action

Please detail all changes that are being proposed and the consequences of the proposed changes. Detail new provisions and/or all changes to existing sections.

Current section number	Proposed new section number, if applicable	Current requirement	Proposed change and rationale

Enter any other statement here

Although the Department of Human Resource Management has published Emergency Regulations, concerning its Long-term Care plan, those Emergency Regulations have expired. Thus, VAC 55 -30 reflects new regulations.

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Regulatory flexibility analysis

Please describe the agency’s analysis of alternative regulatory methods, consistent with health, safety, environmental, and economic welfare, that will accomplish the objectives of applicable law while minimizing the adverse impact on small business. Alternative regulatory methods include, at a minimum: 1) the establishment of less stringent compliance or reporting requirements; 2) the establishment of less stringent schedules or deadlines for compliance or reporting requirements; 3) the consolidation or simplification of compliance or reporting requirements; 4) the establishment of performance standards for small businesses to replace design or operational standards required in the proposed regulation; and 5) the exemption of small businesses from all or any part of the requirements contained in the proposed regulation.

Enter statement here

These regulations were required by § 2.2-1208 and § 2.2-1207. They have no effect on small business and do not contain any reporting or compliance standards for small businesses.

Family impact

Please assess the impact of the proposed regulatory action on the institution of the family and family stability including to what extent the regulatory action will: 1) strengthen or erode the authority and rights of parents in the education, nurturing, and supervision of their children; 2) encourage or discourage economic self-sufficiency, self-pride, and the assumption of responsibility for oneself, one's spouse, and one's children and/or elderly parents; 3) strengthen or erode the marital commitment; and 4) increase or decrease disposable family income.

Enter statement here

These regulations will not have any negative effects on the institution of the family or family stability. They will not erode the marital commitment and will not discourage economic self-sufficiency, self-pride or the assumption of family responsibility.